

The Church of Jesus Christ of Latter-
Day Saints (Welfare)
& Subsidiary Undertakings

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended

31 December 1999



Company Registration No. 1332670
Charity Registration No. 274605

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS AND OFFICERS

DIRECTORS

A K Broadway
R J Mawle
B Calsen
K F Keeler

SECRETARY

A K Broadway

COMPANY NUMBER

1332670 (England and Wales)

REGISTERED CHARITY NUMBER

274605

REGISTERED OFFICE

751 Warwick Road
Solihull
West Midlands
B91 3DQ

AUDITORS

Baker Tilly
Chartered Accountants
154 Great Charles Street
Birmingham
B3 3HN

BANKERS

HSBC
Bank of America

SOLICITORS

Taylor Vinters
Merlin Place
Melton Road
Cambridge
CB4 0DP

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' REPORT

The directors, who are the charity's trustees, submit their report and the financial statements of The Church of Jesus Christ of Latter-Day Saints (Welfare) and subsidiary undertakings for the year ended 31 December 1999.

LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-Day Saints (Welfare) is a registered charity which has been incorporated as a private unlimited company. The charity is governed by its Memorandum and Articles of Association.

OBJECTS, PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The objects of the charity, its principal activities and a review of the year are given in the Trustees' Report on pages 25 and 26 of the financial statements.

On 1 January 1999, the trading activities representing the distribution of religious, educational, administrative materials and film rental, which were previously operated by the company, were transferred to a fellow subsidiary company, The Church of Jesus Christ of Latter-Day Saints (Administration).

RESULTS

The deficit of the group for the year was £416,000 (1998 - surplus £247,000) after receiving a donation of £Nil (1998 - £2,141,000) from its parent company, the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

The directors do not recommend the payment of a dividend, which leaves a deficit for the year of £416,000 to be transferred to reserves.

Assurances of continued financial support have been received from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

A K Broadway

R J Mawle

B D Jacox (resigned 6 October 1999)

K F Keeler

B P Jensen (resigned 6 October 1999)

B Calsen (appointed 6 October 1999)

R J Mawle and B Calsen retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company or its subsidiary undertakings.

INTRODUCTION OF THE EURO

The directors believe the introduction of the Euro will have no significant impact on the group's activities.

The Church of Jesus Christ of Latter-Day Saints (Welfare) &
Subsidiary Undertakings
DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board


A K Broadway
Secretary

2 March 2001

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period. In preparing those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE)
& SUBSIDIARY UNDERTAKINGS

We have audited the financial statements on pages 6 to 24 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors, who also act as the trustees for the charitable activities of the Church of Jesus Christ of Latter-Day Saints (Welfare), are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and its subsidiaries at 31 December 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
Scottish Life House
154 Great Charles Street
Birmingham
B3 3HN

2 March 2001

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 1999

		GROUP		COMPANY	
	Notes	Unrestricted total funds 1999 £'000	Unrestricted total funds 1998 £'000	Unrestricted total funds 1999 £'000	Unrestricted total funds 1998 £'000
Incoming resources					
New construction		3,225	14,042	3,225	14,042
Religious, educational, administrative materials and film rental		-	1,065	-	1,065
Rental income		97	311	1,022	1,154
Other income		45	106	45	106
Net income of trading activities of subsidiaries	1	1,367	1,293	-	-
Profits covenanted from farm activities		-	-	245	378
Donation from the Corporation of The President of The Church of Jesus Christ of Latter-Day Saints		-	2,141	-	2,141
Profit on sale of fixed assets		3	365	3	570
Total incoming resources		4,737	19,323	4,540	19,456
Resources expended					
Direct charitable expenditure	2	5,084	19,040	4,984	18,997
Other expenditure	2	69	36	69	36
Total resources expended		5,153	19,076	5,053	19,033
Net movement in funds		(416)	247	(513)	423
Balances brought forward at 1 January 1999		6,392	6,145	1,596	1,173
Balances carried forward at 31 December 1999	5,976	6,392	1,083	1,596	

Continuing operations

Net income of trading subsidiaries includes £Nil (1998 - £479,000) in respect of acquisitions. The remainder of the charity's activities were in respect of continuing operations.

Statement of Total Recognised Gains and Losses

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the consolidated statement of financial activities.

Income and Expenditure Account

The consolidated statement of financial activities constitutes an income and expenditure account for the purposes of Companies Act 1985.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

BALANCE SHEETS

31 December 1999

		GROUP		COMPANY	
	Notes	1999 £'000	1998 £'000	1999 £'000	1998 £'000
FIXED ASSETS					
Tangible assets	6	38,124	34,176	35,503	31,960
Intangible assets	7	184	221	-	-
Investments	8	5	5	1,000	1,000
		<u>38,313</u>	<u>34,402</u>	<u>36,503</u>	<u>32,960</u>
CURRENT ASSETS					
Stocks	9	4,104	4,301	-	519
Debtors	10	2,524	2,356	3,549	2,224
Cash at bank and in hand		2,139	2,491	1,055	1,757
		<u>8,767</u>	<u>9,148</u>	<u>4,604</u>	<u>4,500</u>
CREDITORS: Amounts falling due within one year	11	(1,569)	(1,427)	(577)	(297)
NET CURRENT ASSETS		<u>7,198</u>	<u>7,721</u>	<u>4,027</u>	<u>4,203</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,511</u>	<u>42,123</u>	<u>40,530</u>	<u>37,163</u>
CREDITORS: Amounts falling due after more than one year	12	(39,447)	(35,567)	(39,447)	(35,567)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(88)	(164)	-	-
		<u>5,976</u>	<u>6,392</u>	<u>1,083</u>	<u>1,596</u>
CAPITAL AND RESERVES					
Called up share capital	14	-	-	-	-
Unrestricted funds:					
Accumulated fund	15	5,976	6,392	1,083	1,596
	16	<u>5,976</u>	<u>6,392</u>	<u>1,083</u>	<u>1,596</u>

Approved by the Board on 2 March 2001
and signed on their behalf


A K Broadway

Director

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 1999

	<i>Notes</i>	1999 £'000	1998 £'000
Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities			
Operating (deficit)/surplus	17a	(605)	89
Depreciation		736	719
Amortisation		37	37
Profit on disposal of fixed assets		(6)	(367)
Decrease/(increase) in stocks		197	(694)
Increase in debtors		(168)	(856)
Increase in creditors		4,080	13,122

Net cash inflow from operating activities		4,271	12,050
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CASH FLOW STATEMENT

		1999 £'000	1998 £'000
Net cash inflow from operating activities		4,271	12,050
Returns on investments and servicing of finance	17a	113	108
Capital expenditure and financial investment	17a	(4,678)	(10,434)
Acquisitions and disposals	17a	-	(826)

(DECREASE)/INCREASE IN CASH IN THE PERIOD		(294)	898
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RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (note 17b)

		1999 £'000	1998 £'000
(Decrease)/increase in cash in the period		(294)	898
Change in net debt resulting from cash flows		(3,880)	(13,086)

MOVEMENT IN NET DEBT IN THE PERIOD	17b	(4,174)	(12,188)
NET DEBT AT 1 JANUARY 1999		(33,148)	(20,960)

NET DEBT AT 31 DECEMBER 1999	17b	(37,322)	(33,148)
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The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations 1995, the Statement of Recommended Practice "Accounting by Charities", applicable accounting standards and under the historical cost convention.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Church of Jesus Christ of Latter-Day Saints (Welfare) and all of its subsidiary undertakings for the year. All financial statements are prepared to 31 December 1999. The consolidation has been prepared using the acquisition method of accounting.

INCOMING RESOURCES

Cost of constructing new buildings on behalf of The Church of Jesus Christ of Latter-Day Saints (Great Britain) are recharged at each year end on the basis of total construction costs incurred to date.

RESOURCES EXPENDED

Direct charitable expenditure comprises expenditure directly relating to the objects of the charity. Costs are either specifically identified or apportioned on an appropriate basis between direct charitable expenditure and management and administration of the charity. Expenditure is recognised on an accruals basis.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Farm houses	over 40 years
Farm buildings and amenities	over 5 to 20 years
Fixtures and fittings	over 5 to 10 years
Plant and machinery	over 5 to 10 years
Motor vehicles	over 3 to 10 years

GOODWILL

Goodwill arising on acquisition representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and written off over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in value.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

ACCOUNTING POLICIES

STOCKS

Stocks and cultivations are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences to the extent that it is probable that a liability will crystallise at the rate expected to be ruling at that date.

PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged to the statement of financial activities over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

PARENT COMPANY DONATIONS

Periodically, donations are received from the company's parent company, the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities.

AREA AID INCOME

Area aid income is recognised in the statement of financial activities when the underlying crops are sold. Set-aside income is recognised on a receipts basis.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

1 NET INCOME OF TRADING ACTIVITIES OF SUBSIDIARIES

The charity has three subsidiaries which are incorporated in England and Wales. All companies operate farms. Audited accounts have been filed with the Registrar of Companies which show the following results;

	<i>Farmspeed (Southery Anchor) Limited £'000</i>	<i>Hallsworth (Farmland Trust) Limited £'000</i>	<i>AgReserves Limited £'000</i>	<i>1999 Total £'000</i>	<i>1998 Total £'000</i>
Turnover	2,290	1,266	1,844	5,400	5,105
Cost of sales	(905)	(839)	(1,338)	(3,082)	(2,983)
Gross surplus	1,385	427	506	2,318	2,122
Operating expenses	(1,346)	(446)	(398)	(2,190)	(1,883)
Other operating income	-	71	89	160	105
Operating surplus	39	52	197	288	344
Profit/(loss) on disposal of fixed assets	2	(23)	9	(12)	(203)
Interest receivable	-	1	74	75	55
Interest payable	-	-	-	-	(1)
Charitable payments	-	(30)	(279)	(309)	(378)
Taxation	-	33	43	76	50
Net income/(expenditure) for the year per accounts	41	33	44	118	(133)
Consolidation adjustments eliminated:					
Rent payable to parent undertaking	376	264	285	925	843
Charitable payments to parent undertaking	-	30	279	309	378
Loss on disposal of fixed assets	-	15	-	15	205
Net income of trading subsidiaries included in the Statement of Financial Activities	417	342	608	1,367	1,293

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1999

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	<i>GROUP</i>		<i>COMPANY</i>	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Direct charitable expenditure:				
Cost of construction	3,225	14,042	3,225	14,042
Welfare payments	1,323	1,211	1,323	1,211
Staff costs	-	1,394	-	1,394
Materials and supplies	-	94	-	94
Repairs and maintenance	-	173	-	173
Depreciation and amortisation	38	105	1	67
Physical facilities	99	328	99	328
Landlord's costs	399	278	336	273
General administrative costs	-	525	-	525
Cost of religious, educational, administrative materials and film acquisitions	-	890	-	890
	<u>5,084</u>	<u>19,040</u>	<u>4,984</u>	<u>18,997</u>

	<i>GROUP</i>		<i>COMPANY</i>	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Other expenditure:				
Office expenses	1	3	1	3
Professional fees	68	33	68	33
	<u>69</u>	<u>36</u>	<u>69</u>	<u>36</u>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

3	NET (EXPENDITURE)/INCOME FOR THE YEAR	1999 £'000	1998 £'000
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Net (expenditure)/income is stated after charging/(crediting):

Depreciation		
- owned assets	736	719
Profit on disposal of fixed assets	6	367
Auditors' remuneration - audit services	52	41
- other services	1	1
Operating lease rentals		
- plant and machinery	284	389
- other	686	504

4	EMPLOYEES	1999 No.	1998 No.
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The average weekly number of persons (including directors) employed by the group during the year was:

43 135

	1999 £'000	1998 £'000
Staff costs for the above persons:		
Wages and salaries	937	2,271
Social security costs	76	177
Other pension costs	72	139
	1,085	2,587

For the year ended 31 December 1999 the number of employees whose emoluments fell within the following bands are as follows:

	1999 No.	1998 No.
£50,000 +	-	1
£40,000 - £50,000	1	2

DIRECTORS' REMUNERATION

None of the company directors received any remuneration from the company during the year.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

5 TAXATION

The company is a registered charity and as such its charitable activities are not liable to UK corporation tax.

The company's subsidiaries are liable to UK corporation tax and the charge for the year is shown within the net income of trading activities of subsidiaries in note 1.

6 TANGIBLE FIXED ASSETS

GROUP

	<i>Freehold land and buildings</i> £'000	<i>Fixtures and fittings</i> £'000	<i>Plant and machinery</i> £'000	<i>Motor vehicles</i> £'000	<i>Farms</i> £'000	<i>Total</i> £'000
Cost						
1 January 1999	2,299	111	3,631	327	29,790	36,158
Transfers	-	(84)	(246)	(153)	-	(483)
Additions	2,177	6	1,033	32	1,805	5,053
Disposals	-	(27)	(167)	(83)	(110)	(387)
31 December 1999	4,476	6	4,251	123	31,485	40,341
Depreciation						
1 January 1999	18	63	1,373	232	296	1,982
Transfers	-	(36)	(159)	(106)	-	(301)
Charged in the year	5	1	566	25	139	736
Disposals	-	(27)	(97)	(65)	(11)	(200)
31 December 1999	23	1	1,683	86	424	2,217
Net book value						
31 December 1999	4,453	5	2,568	37	31,061	38,124
31 December 1998	2,281	48	2,258	95	29,494	34,176

A detailed analysis of the farms category is shown on page 16.

All of the tangible fixed assets are used to generate income for charitable purposes.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1999

6 TANGIBLE FIXED ASSETS (continued)

COMPANY

	<i>Freehold land and buildings £'000</i>	<i>Fixtures and fittings £'000</i>	<i>Plant and machinery £'000</i>	<i>Motor vehicles £'000</i>	<i>Farms £'000</i>	<i>Total £'000</i>
Cost						
1 January 1999	2,254	111	337	201	29,790	32,693
Transfers	-	(84)	(246)	(153)	-	(483)
Additions	2,165	6	-	-	1,805	3,976
Disposals	-	(27)	(45)	(48)	(110)	(230)
31 December 1999	4,419	6	46	-	31,485	35,956
Depreciation						
1 January 1999	-	63	227	147	296	733
Transfers	-	(36)	(159)	(106)	-	(301)
Charged in the year	-	1	4	-	139	144
Disposals	-	(27)	(44)	(41)	(11)	(123)
31 December 1999	-	1	28	-	424	453
Net book value						
31 December 1999	4,419	5	18	-	31,061	35,503
31 December 1998	2,254	48	110	54	29,494	31,960

A detailed analysis of the farms category is shown on page 16.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

6 TANGIBLE FIXED ASSETS(continued)

GROUP & COMPANY

Included within farms above are:

	Freehold land £'000	Farm houses & £'000	Farm buildings amenities £'000	Total £'000
Cost				
1 January 1999	25,611	2,463	1,716	29,790
Transfers	16	357	(373)	-
Additions	325	114	1,366	1,805
Disposals	(27)	(83)	-	(110)
31 December 1999	25,925	2,851	2,709	31,485
Depreciation				
1 January 1999	-	100	196	296
Transfers	-	110	(110)	-
Charged in the year	-	73	66	139
Disposals	-	(11)	-	(11)
31 December 1999	-	272	152	424
Net book value				
31 December 1999	25,925	2,579	2,557	31,061
31 December 1998	25,611	2,363	1,520	29,494

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

7 INTANGIBLE FIXED ASSETS

GROUP

	<i>Goodwill £'000</i>
Cost	
1 January 1999 & 31 December 1999	368
Amortisation	
1 January 1999	147
Amortisation for the year	37
31 December 1999	184
Net book value	
31 December 1999	184
31 December 1998	221

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1999

8 FIXED ASSET INVESTMENTS - GROUP

	<i>Listed £'000</i>	<i>Unlisted £'000</i>	<i>Total £'000</i>
Cost			
1 January 1999 and 31 December 1999	5	6	11
Provision for diminution in value			
1 January 1999 and 31 December 1999	-	6	6
Net book value			
At 1 January 1999 and 31 December 1999	5	-	5

The market value of listed investments, which are included above at a net book value of £5,000, as at 31 December 1999 was £14,000 (1998: £12,000).

FIXED ASSET INVESTMENTS - COMPANY

	<i>Investment in subsidiary undertaking £'000</i>
1 January 1999 and 31 December 1999	1,000

The company holds more than 10% of the share capital of the following undertakings:

<i>Name</i>	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion directly held</i>	<i>Nature of business</i>
AgReserves Limited	England	Ordinary	100%	Farming
<i>Indirect holdings</i>				
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Farming
Farmspeed (Southery Anchor) Limited	England	Ordinary	100%	Farming

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

9	STOCKS	GROUP		COMPANY	
		1999 £'000	1998 £'000	1999 £'000	1998 £'000
	Finished goods and goods for resale	-	519	-	519
	Farm stocks	1,291	1,301	-	-
	Harvested crops	2,707	2,370	-	-
	Livestock	106	111	-	-
		4,104	4,301	-	519
<hr/>					
10	DEBTORS	GROUP		COMPANY	
		1999 £'000	1998 £'000	1999 £'000	1998 £'000
	Due within one year				
	Trade debtors	1,112	1,331	-	-
	Other debtors	1,411	1,023	1,126	883
	Prepayments and accrued income	1	2	-	1
	Amounts owed by group undertakings	-	-	2,423	1,340
		2,524	2,356	3,549	2,224
<hr/>					
11	CREDITORS: Amounts falling due within one year	GROUP		COMPANY	
		1999 £'000	1998 £'000	1999 £'000	1998 £'000
	Bank overdraft	14	72	-	-
	Trade creditors	215	168	-	-
	Other taxation and social security costs	-	39	-	39
	Other creditors	1,039	843	417	258
	Accruals and deferred income	301	305	-	-
	Amounts owed to group undertakings	-	-	160	-
		1,569	1,427	577	297
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The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

12 CREDITORS: Amounts falling due in more than one year

	GROUP		COMPANY	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Loan from holding company	39,447	35,567	39,447	35,567

The loan from the holding company is a loan from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

13 PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP Deferred taxation £'000	COMPANY Deferred taxation £'000
Balance at 1 January 1999	164	-
Transfer from income and expenditure	(76)	-
Balance at 31 December 1999	88	-

	1999 Provided £'000	1999 Unprovided £'000	1998 Provided £'000	1998 Unprovided £'000
DEFERRED TAXATION - GROUP:				
Excess of tax allowances over depreciation	88	23	164	-

14 SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted, issued and fully paid 100 ordinary shares of £1 each	100	100

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

15	ACCUMULATED FUND	GROUP		COMPANY	
		1999 £'000	1998 £'000	1999 £'000	1998 £'000
	Balance at 1 January 1999	6,392	6,145	1,596	1,173
	Net (deficit)/surplus for the financial year	(416)	247	(513)	423
	Balance at 31 December 1999	<u>5,976</u>	<u>6,392</u>	<u>1,083</u>	<u>1,596</u>
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS			1999 £'000	1998 £'000
	(Deficit)/surplus for the financial year			(416)	247
	Opening shareholders' funds			<u>6,392</u>	<u>6,145</u>
	Closing shareholders' funds			<u>5,976</u>	<u>6,392</u>

Shareholders' funds are entirely attributable to equity interests.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1999

17 CASH FLOWS

a	Analysis of cash flows	1999	1998
		£'000	£'000
	Reconciliation of net movement in funds to operating (loss)/surplus		
	Net movement in funds	(416)	247
	Interest received	(113)	(109)
	Interest paid	-	1
	Taxation	(76)	(50)
		<hr/>	<hr/>
	Operating (loss)/surplus	(605)	89
		<hr/>	<hr/>
	Returns on investments and servicing of finance	1999	1998
		£'000	£'000
	Interest received	113	109
	Interest paid	-	(1)
		<hr/>	<hr/>
		113	108
		<hr/>	<hr/>
	Capital expenditure and financial investment	1999	1998
		£'000	£'000
	Proceeds from sale of fixed assets	375	1,569
	Purchase of tangible fixed assets	(5,053)	(12,003)
		<hr/>	<hr/>
		(4,678)	(10,434)
		<hr/>	<hr/>
	Acquisitions and disposals	1999	1998
		£'000	£'000
	Purchase of subsidiary undertaking	-	(953)
	Cash acquired with subsidiary	-	127
		<hr/>	<hr/>
		-	(826)
		<hr/>	<hr/>

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1999

17 CASHFLOWS (*continued*)

b Analysis of changes in Net Debt

	<i>At 1 January 1999 £'000</i>	<i>Cash Flows £'000</i>	<i>At 31 December 1999 £'000</i>
Cash at bank and in hand	2,491	(352)	2,139
Overdrafts	(72)	58	(14)
	<hr/>	<hr/>	<hr/>
	2,419	(294)	2,125
Debt due after 1 year	(35,567)	(3,880)	(39,447)
	<hr/>	<hr/>	<hr/>
Total	(33,148)	(4,174)	(37,322)
	<hr/>	<hr/>	<hr/>

18 PENSION COMMITMENTS

The group contributes to a defined benefit pension scheme operated on behalf of the UK entities of the Church of Jesus Christ of Latter-Day Saints, and whose assets are held in independent trustee administered funds. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method, the most recent valuation being at 31 December 1998. The assumptions which have the most significant effect on the results of the valuation are the rate at which current salaries and pensions will increase and the return the scheme will earn on its assets.

It was assumed for the 1998 valuation that salaries would increase by 4% and the investment returns would be 5.75% per annum, and that present and future pensions would increase at the rate of 2.5% per annum for benefits in excess of the GMP. The actuarial valuation of the scheme's assets at 31 December 1998 was £11,418,099 and was estimated to cover 97% of the scheme's liabilities at that date.

From 1 January 2000 the contribution rates of the employer and employees were raised to 12.5% and 5.3% respectively.

The pension charge for the year was £72,000 (1998 - £139,000), which included allowance for the amortisation of expected deficits. These are being recognised over 12 years, the average remaining service lives of employees.

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1999

19 RELATED PARTY TRANSACTIONS AND ULTIMATE HOLDING COMPANY

The company is owned jointly by the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints and the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, both entities incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints are included in note 12. Assurances of continued financial support have been received from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-Day Saints (Great Britain) to carry out construction of church buildings on its behalf. The value of this work in the year was £3,225,000 (1998 - £14,042,000).

Farm Management Company, the Church's agricultural division in the United States, acts in an advisory capacity to AgReserves Limited, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited. During the year management fees of £48,000 (1998 - £45,000) were paid by the group to the Farm Management Company and the balance due to it at 31 December 1999 was £Nil (1998 - £nil).

20 CAPITAL COMMITMENTS

At 31 December 1999 the group had capital commitments as follows:

	1999 £'000	1998 £'000
Contracted for but not provided in these accounts	243	109

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

TRUSTEES' REPORT

OBJECTS AND PRINCIPAL ACTIVITIES

The objects of the charity are:-

- a) to promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-Day Saints in the United Kingdom and elsewhere and;
- b) to relieve members of the Church and other persons who are in conditions of need, hardship, sickness or distress.

To achieve the above the charity:-

- 1) invests in farms which it rents out to its subsidiary companies (AgReserves Limited, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited) which then operate the farms on a commercial basis. Any profits earned from these operations are returned to the charity under covenant and are applied by the charity in furtherance of the objectives;
- 2) acquires land and builds purpose build meeting houses, for a fellow subsidiary, in which members of the Church and the public can meet for religious worship and instruction;
- 3) assists individuals suffering through hardship, sickness and distress as needed.

From the above it can be deduced that the principal income sources of the charity are the rents received from the farms operated by its subsidiaries and any profits earned by those farming subsidiary companies. Our farming subsidiaries achieve their results whilst following guidelines laid down by the Church in the following mission statement:-

"We recognise that the land we have been entrusted to manage is a most important resource, that our customers have their own special needs, and that scientific establishments are our partners, and that our employees are one of our most valuable assets.

In all things we acknowledge the goodness in others. We recognise that we have a stewardship for the land for future generations. We need to be honest in our dealings with customers, employees and all with whom we transact business.

To accomplish our mission we empower our employees with the management structure, training and resources to grow the right crops in the right locations using the latest and most efficient farming technology."

The Church of Jesus Christ of Latter-Day Saints (Welfare) & Subsidiary Undertakings

TRUSTEES' REPORT

REVIEW OF THE YEAR

After the significant changes in the activities of the group in the last three years, 1999 was primarily a year of consolidation and laying the groundwork of the next phase of growth. This task was more demanding than envisaged because of the increasingly difficult conditions prevailing in the farming industry. In the circumstances the overall financial results from our farms are satisfactory. The additional investment that has been made this year will prove beneficial when there is an upturn in the fortunes of the UK farming industry.


When farmland close to our existing farms becomes available at reasonable prices, we review the opportunity this presents to see if this will improve the economics of our existing holding. One such small opportunity arose in 1999 when we purchased College Farm Haddenham Nr Cambridge. However, during the year significant investment was made in extending our grain and potato storage facilities which we anticipate will be of considerable value in future years.

With the completion of the Preston Temple in 1998 construction activity for our sister charity The Church of Jesus Christ of Latter-Day Saints (Great Britain) was at a greatly reduced rate in 1999. Nevertheless we were able to acquire five sites on which meeting houses will be built for the Church as soon as we have the necessary permissions. This will be likely to lead to a significant increase in activity in the next two years in this part of our operations.

Primarily as a consequence of the lower returns on our farm investments but also because we increased our welfare aid particularly in the area of humanitarian assistance we had to draw on our reserves to fund the excess of expenditure over income for the year. As stated in our last report, it is our goal to have a year's funds on hand at all times so that we can continue to provide assistance to those in need even when our current level of income may be insufficient. At the end of 1999 the charity had a one year's supply of funds when compared to our welfare payments for the year.

1999 was particularly significant for the increased assistance that we are able to give to humanitarian causes. We donated funds towards a literacy programme in Haiti, provided blankets for the Red Cross flood relief in the Ukraine and made a contribution to the Salvation Army for their refuge shelter programme. We look forward to being of service to an even greater degree in future years to other needy causes.

To date we have only been able to utilise volunteers in our activities where they had specific knowledge that benefitted our farming investments. These volunteers have been provided almost entirely by our parent organisation and the thousands of hours they have donated have been a material factor in bringing us to our current state. Opportunities now exist for local volunteers to participate in our charitable activities and we will be able to report on this in our next year's report.


A K Broadway
Trustee

2 March 2001